

ADMINISTRATIVE INTERNAL USE ONLY



29 August 1973

MEMORANDUM FOR: [REDACTED]

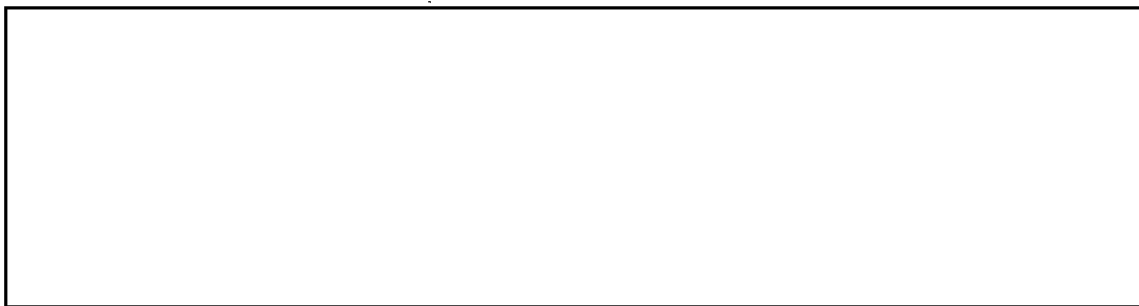
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SUBJECT : State Department Reply to Senator
Fulbright on US Oil Policy

1. I have queried OCI and this memo is a joint response. I asked elements in the DDO to comment but have not heard from them.

2. We recommend general concurrence in the Department's draft letter to Senator Fulbright (attached). The Department might perhaps want to be somewhat more specific on why there is opposition to the formation of an international organization of oil importing countries. The Department could note that our partners are fearful that formation of a consuming bloc to counter OPEC might exacerbate the atmosphere of confrontation that already exists between oil exporting and oil importing nations. Our allies are already nervous enough about the OECD consultations which the letter refers to -- although they do agree that such activity is desirable and necessary.

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Acting Deputy Director
Economic Research

Attachments:

Draft Letter from
Marshall Wright
Covering Memos

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